

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS MUSCAT 000306

SIPDIS

STATE FOR EB/CIP (DROHATGI), NEA/ARPI (RSMYTH)
STATE PASS USTR FOR JBUNTIN, JFENNERTY, AAUGEROT, KSCHAGRIN
USDOC FOR 4520/ITA/MAC/AMESA/OME/MTALAAT

E.O. 12958: N/A

TAGS: [ECPS](#) [KPRV](#) [ETRD](#) [MU](#)

SUBJECT: TELECOMS MOVEMENT IN OMAN

REF: A. MUSCAT 243

1B. OMAN-USTR TELECOMS DVC 2/1/05

11. In the ref B digital video conference between USTR and Omani government telecommunications officials, Oman's Telecommunications Regulatory Agency (TRA) pledged that the award of an operating license to a competing mobile phone operator was "imminent." On February 19, Sultan Qaboos promulgated a royal decree (No. 17/2005) formally issuing the operating license to Oman-Qatar Telecommunications Company for a period of 15 years. The joint venture, which goes by the commercial name of Nawras Telecom, has already been lining up new subscribers, and will launch its services "very soon," according to CEO Ross Cormack. TRA official Naashia al-Kharusi (Oman's lead telecoms negotiator in the upcoming free trade agreement negotiations) told P/E Chief February 21 that the operating license was issued as Category 1, meaning that Nawras will be providing its own infrastructure (through an alliance with Ericsson) rather than relying on incumbent Omantel's network. Nawras paid a one-time payment of RO 40 million (\$104 million) for the license, and reportedly plans to invest \$1.7 billion over the next 10 years.

12. State-owned incumbent Omantel made headlines of its own February 21 by announcing a "significant" cut in its international dialing rates effective March 1. Unnamed sources at Omantel were quoted in the local press as saying that a range of service prices are expected to fall in 2005 in anticipation of the competition not only from Nawras (on the mobile side), but also from "new operators coming into the (fixed line) market in the future." Omantel pledges to both cut its rates and improve the quality of the service to stay competitive, as demonstrated by the aggressive pricing strategy and advertising campaign launched by Oman Mobile (Omantel's cellular operations) in the past six months. Al-Kharusi told P/E Chief that she still expects a second fixed-line operator to be identified before the end of this year. In the meantime, the floating of 30 percent of the shares in Omantel is now expected to take place by June, according to Omantel Executive President Mohammed al-Wohaibi in a February 22 press interview.

BALTIMORE